

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Industrial Promotion – Simplifying the procedure of releasing the incentives to industries by RTGS / NEFT under Industrial Investment Promotion Policy (IIPP) 2010-15 – Amendment – Orders- Issued.

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**INDUSTRIES & COMMERCE (IP) DEPARTMENT**

**G.O.Ms.No. 162**

**Dated:04-12-2013**

Read the following:-

1. G.O.Ms.No.42, Industries and Commerce (IP) Department, dated:5.05.2011.
2. From the Commissioner of Industries, Hyderabad, Letter No.39/1/2013/RTGs, Dt:13.05.2013 and 12.07.2013.

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**O R D E R:-**

In the G.O 1<sup>st</sup> read above, Government have issued orders on the operational guidelines for implementing the Industrial Investment Promotion Policy (IIPP) 2010-15.

2. In the reference 2<sup>nd</sup> read above, the Commissioner of Industries, Hyderabad has stated that Government vide Memo No.351/81/DCM.II/2012, Finance (DCM-I) Department, dt:04-07-2012 have issued instructions on drawal of funds from deposit accounts – PD Account, wherein the PD Administrators are advised to furnish the information to State Bank of Hyderabad for transfer of amounts through ECS / NEFT/ RTGS in the prescribed format along with a soft copy provided by the State Bank of Hyderabad. A committee with the following members was constituted to examine the issue and submit the report for simplifying the procedure of the releasing funds to the industrial units:

1. President, AP Spinning Mills Association.
2. President, FAPCCI
3. General Manager, APSFC
4. Convener, SLBC
5. Joint Director (IIPC). O/o. Commissioner of Industries.

The Committee made the following recommendation for simplifying the procedure of releasing the incentives to Industries by RTGS/NEFT:

- (1). Facility of opening of a non-operative savings account be provided to the unit holder by the Bank and the same shall be opened, so that the Bank may access this account and credit the subsidy/incentive received from Commissioner of Industries, appropriately into the unit holder's loan account.
- (2). Opening of separate PD A/c. jointly by Commissioner of Industries and Finance Department instead of APSFC & Finance Department for speedy processing of disbursement of incentives.
- (3). State Bank of Hyderabad, Treasury Branch will be requested to furnish details of the transactions, including name of the unit, amount, reasons for rejection and date of amount credited, so as to minimize the delay in case of returned cases.

**Contnd..2**

(4). The representative of SLBC suggested opening on non-operative savings account into which subsidy amount would be deposited. After adjusting the term loan the Bank will credit the balance into the unit holder's loan account.

3. The recommendations of the Committee were placed in the State Level Committee meeting held on 01-03-2013 and decision of the SLC is as follows:

(1). The SLC has examined the report submitted by the constituted Committee and decided to implement the procedure as suggested By the Committee for simplifying the procedure of releasing sanctioned incentives amount to the industries.

(2). Further, the SLC has decided to recommend the issue to the Government for issuing certain amendments to the Operational Guidelines under IIPP 2010-15 vide G.O.Ms.No.42, Industries & Commerce (IP) Department, dated: 05-05-2011:

(3). For opening a non-operative savings account be provided to the unit holder by the Bank and the same shall be opened, so that the Bank may access this account and credit the subsidy/incentive received from Commissioner of Industries, appropriately into the unit holder's non-operative savings account instead of term lending institution .

4. The Commissioner of Industries, Hyderabad has requested to issue necessary amendments to the Operational Guidelines for Industrial Investment Promotion Policy 2010-15.

5. Government after careful examination of the proposal of Commissioner of Industries, A.P, Hyderabad hereby amend the Operational Guidelines for Industrial Investment Promotion Policy 2010-15 issued vide G.O.Ms.No.42, Ind & Com (IP) Dept., Dt:05.05.2011, as appended to these orders.

6. The Commissioner of Industries, Hyderabad shall take necessary action in the matter accordingly.

7. This order is issued with the Concurrence of Finance Department vide their U.O.No.17994/249/Expr. I&C/2013, Dt:24/07/2013.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**K.PRADEEP CHANDRA,  
PRINCIPAL SECRETARY TO GOVERNMENT AND  
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, A.P., Hyderabad.

The Managing Director, APSFC, Hyderabad

The Accountant General, Andhra Pradesh, Hyderabad

Copy to:

The Pay and Accounts Officer, Hyderabad

All District Collectors in the State.

All General Managers, District Industries Centre in the State (Through COI, A.P., Hyderabad)

The Finance (Expr. I & C) Department

SF/SC

//Forwarded: By Order//

**SECTION OFFICER**

**ANNEXURE TO G.O.MS.NO.162, IND & COM (IP) DEPT, DT:04.12.2013**  
**AMENDMENTS**

Para No.	As per G.O.Ms.No.42 Industries & Commerce (IP) Department, dated: 05/05/2011	Read As
24.3	In respect of SLC sanction the General Managers after receipt of individual proceedings preceded by consolidated proceedings shall obtain an agreement bond in prescribed proforma, advanced stamped receipt and assignment letter and forward the same in original to the disbursing Agency APSFC/ its branch along with assignment letter and stamped receipts in original after satisfying himself on the physical verification that the Enterprise/Industry is working continuously, the assets are intact and there is no change in the management, no change of financial institution and also the Enterprise/Industry complying with the conditions, if any, imposed in the consolidated proceedings.	In respect of SLC sanction the General Managers after receipt of individual proceedings preceded by consolidated proceedings shall obtain an agreement bond in prescribed proforma, advanced stamped receipt and assignment letter and forward the same in original to the Commissioner of industries after satisfying himself on the physical verification that the Enterprise/Industry is working continuously, the assets are intact and there is no change in the management, no change of financial institution and also the Enterprise/Industry complying with the conditions, if any, imposed in the consolidated proceedings.
24.5	In case of disbursements of Reimbursements of Stamp duty and Transfer duty, rebate in land cost in IEs/IDAs, Power consumption charges, Commercial Tax, such reimbursement amounts will be paid to the industrial Enterprises concerned, in favour of the Enterprise/Industry through crossed Account payee cheque. The GM, DICs on receipt of the individual proceedings shall obtain a self certification, utilization certificates in prescribed proforma and advanced stamped receipt from the Enterprise/Industry and forward the same in original to APSFC after physically verifying the running of the Enterprise/Industry.	In case of disbursements of Reimbursements of Stamp duty and Transfer duty, rebate in land cost in IEs/IDAs, Power consumption charges, Commercial Tax, such reimbursement amounts will be paid to the industrial Enterprises concerned, in favour of the Enterprise/Industry through RTGS/NEFT to account. The GM, DICs on receipt of the individual proceedings shall obtain a self certification, utilization certificates in prescribed proforma and advanced stamped receipt from the Enterprise/Industry and forward the same in original to the Commissioner of Industries after physically verifying the running of the Enterprise/Industry.

24.6	Government will allocate the funds for disbursement of incentives under the scheme. The funds so allocated will be drawn and kept in the P.D. Account of APSFC.	Government will allocate the funds for disbursement of incentives under the scheme. The funds so allocated will be drawn and kept in the P.D.Account of Commissioner of Industries.
24.7	The disbursements are made in a bunch of cases through consolidated proceeding separately for SLC sanctions and DLC sanctions observing the chronological order of such meetings held. The consolidated proceedings indicating the name of the industry, amount sanctioned and amount released to Managing Director, APSFC under copies to DICs, Branch Managers of APSFC concerned, etc.,	The disbursements are made in a bunch of cases through consolidated proceeding separately for SLC sanctions and DLC sanctions observing the chronological order of such meetings held. The consolidated proceedings indicating the name of the industry, amount sanctioned and amount released to the Accounts Officer, O/o. Commissioner of Industries.
24.8	In respect of SLC sanctions, after the issue of individual proceedings issued by the Member Convener of SLC, in favour of industrial enterprises in the form prescribed under copies to the Managing Director, APSFC, the Branch Manager of APSFC / Financial Institutions which have sanctioned term loans and working capital loans and the General Manager, DIC concerned. After receipt of assignment letter and advance stamped receipt, the Managing Director, APSFC / Branch Manager, APSFC, shall release the subsidy amount to the individual Enterprises through crossed / Account. payee cheques in the name of the Financial Institution (in whose favour assignment letter was given by the beneficiary industrial enterprise Account). industrial enterprise and send the same to the respective Financial Institution direct under intimation to the beneficiary industrial enterprise and the General Managers. DIC concerned. If the APSFC happens to be the Financial Institution, which has sanctioned the term loan, the subsidy amount is released to the industrial enterprise after crediting the same to the Account. of the industrial enterprise with APSFC. In case of industrial Enterprises which have availed any bridge loans against the anticipated subsidy, the	In respect of SLC sanctions, after the issue of individual proceedings issued by the Member Convener of SLC, in favour of industrial enterprises in the form prescribed under copies to the Managing Director, APSFC, the Branch Manager of APSFC / Financial Institutions which have sanctioned term loans and working capital loans and the General Manager, DIC concerned. After receipt of assignment letter and advance stamped receipt, the Commissioner of Industries shall release the subsidy amount to the individual Enterprises account through RTGS/NEFT (in whose favour assignment letter was given by the beneficiary industrial enterprise Account) and send the same to the respective Financial Institution direct under intimation to the beneficiary. In case of industrial Enterprises which have availed any bridge loans against the anticipated subsidy, the subsidy amount shall be

	subsidy amount shall be released first to the Financial Institution which has sanctioned and released bridge loan, to discharge the liability in full against such sanction and balance amount, if any, would be released in the manner prescribed above.	released first to the Financial Institution which has sanctioned and released bridge loan, to discharge the liability in full against such sanction and balance amount, if any, would be released in the manner prescribed above.
24.9	<p>In respect of DLC sanctions, the General Managers, DIC shall be forwarding the sanctions of DLCs to the Additional Director of Industries and Member-Secretary of SLC along with statement in the form prescribed, individual proceedings sanctioning after the issue of consolidated proceedings, individual proceedings are issued in favour of individual Enterprises in the form prescribed under copies to Managing Director, APSFC , Branch Manager, APSFC , Financial Institutions which have sanctioned term loans and working capital loans and General Manager, DIC concerned. After receipt of assignment letter and advance stamped receipt, the Managing Director, APSFC , Branch Manager, APSFC, shall release the subsidy amount to the individual Enterprises through crossed/Account. payee cheques in the name of the Financial Institution (in whose favour assignment letter was given by the beneficiary industrial Enterprise Account). industrial enterprise and send the same to the respective Financial institution direct under intimation to the beneficiary industrial enterprise and the General Managers, DIC concerned. If the APSFC happens to be the Financial Institution, which has sanctioned the term loan, the subsidy amount is released to the industrial enterprise after crediting the same to the Account of the industrial enterprise with APSFC. In case of industrial Enterprises which have availed any bridge loans against the anticipated subsidy, the subsidy amount shall be released first to the Financial Institution which has sanctioned and released bridge loan, to discharge the liability in full against such sanction and balance amount, if any, would be released in the manner prescribed</p>	<p>In respect of DLC sanctions, the General Managers, DIC shall be forwarding the sanctions of DLCs to the Additional Director of Industries and Member-Secretary of SLC along with statement in the form prescribed, individual proceedings sanctioning after the issue of consolidated proceedings, individual proceedings are issued in favour of individual Enterprises in the form prescribed under copies to the Financial Institutions which have sanctioned term loans and working capital loans and General Manager, DIC concerned. After receipt of assignment letter and advance stamped receipt, the Commissioner of Industries shall release the subsidy amount to the individual Enterprises account through RTGS/NEFT (in whose favour assignment letter was given by the beneficiary industrial Enterprise Account). In case of industrial Enterprises which have availed any bridge loans against the anticipated subsidy, the subsidy amount shall be released first to the Financial Institution which has sanctioned and released bridge loan, to discharge the liability in full against such sanction and balance amount, if any, would be released in the manner prescribed above. The subsidy amount released under the scheme is</p>

	above. The subsidy amount released under the scheme is treated as front end subsidy and Bank/Financial institution can only adjust the liability as on date i.e. overdue amount and release the balance amount as per the procedure in vogue and total subsidy released shall not be adjusted towards outstanding loan amount.	treated as front end subsidy and Bank/Financial institution can only adjust the liability as on date i.e. overdue amount and release the balance amount as per the procedure in vogue and total subsidy released shall not be adjusted towards outstanding loan amount.
24.10	In respect of APSFC financed industrial Enterprises, subsidy amounts sanctioned and released shall not be credited to the Account of respective industrial Enterprises if they are sick, closed change of management taken place or sold away, change of financial institution etc. Also wherever the General Manager, DICs finds an industrial enterprise sick, closed, change of management taken place, change of financial institution etc. or for any other reason not worthy of receiving subsidy till further examination, the Managing Director, APSFC / Branch Manager, APSFC shall not disburse the subsidy to such Enterprise/industry on written intimation given to them by the General Managers DICs, or by Commissioner of Industries. In case of above two situations, the subsidy shall be disbursed only after further clearance given by the Additional Director of Industries.	Wherever the General Manager, DICs finds an industrial enterprise sick, closed, change of management taken place, change of financial institution etc, or for any other reason not worthy of receiving subsidy till further examination, the Commissioner of Industries shall not disburse the subsidy to such Enterprise/industry on written intimation given to them by the General Managers DICs. In case of above two situations, the subsidy shall be disbursed only after further clearance given by the State Level Committee.

**K.PRADEEP CHANDRA,  
PRINCIPAL SECRETARY TO GOVERNMENT AND  
COMMISSIONER FOR INDUSTRIAL PROMOTION**